

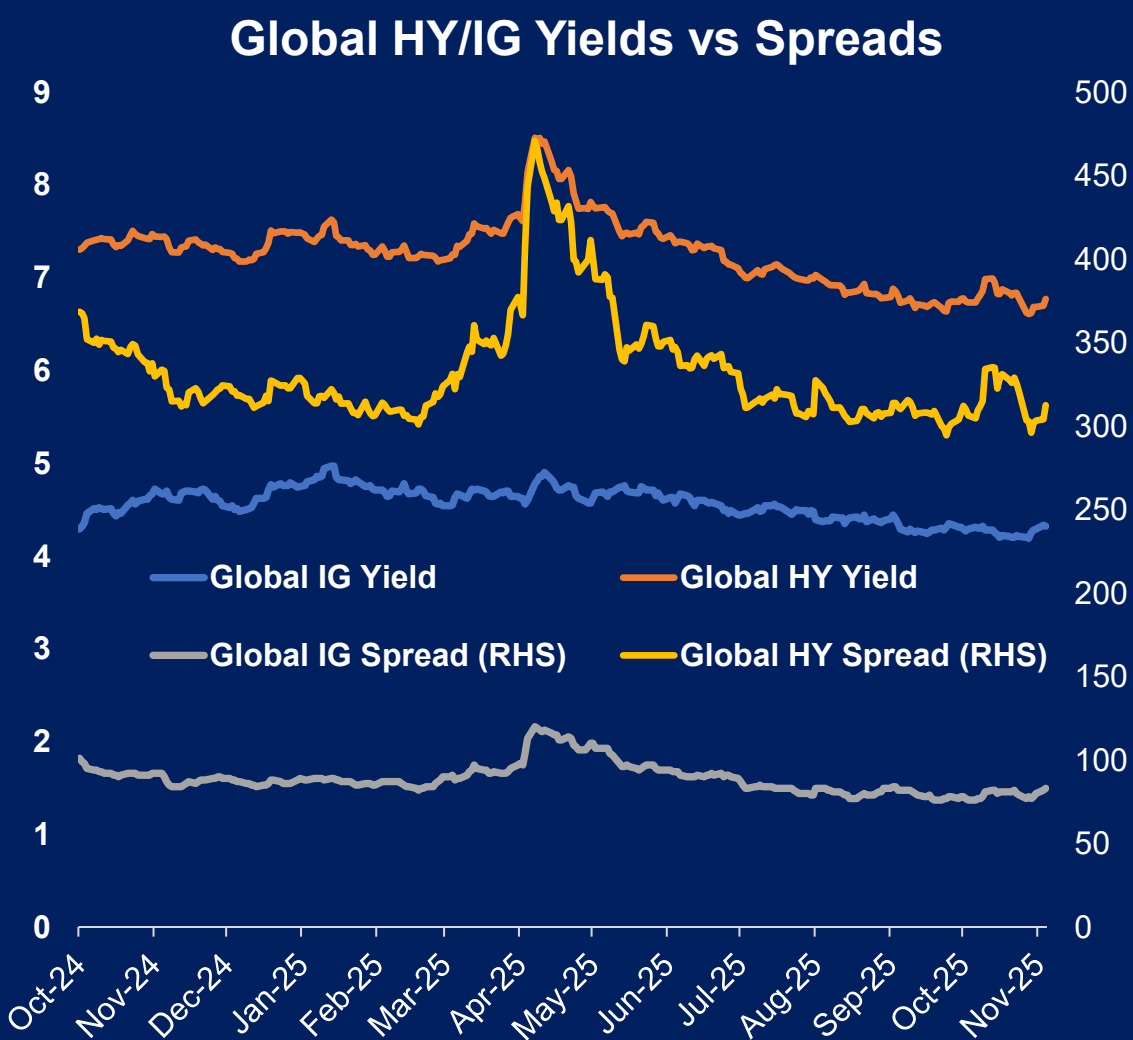
Rubrics Credit Market Overview

27 March 2025

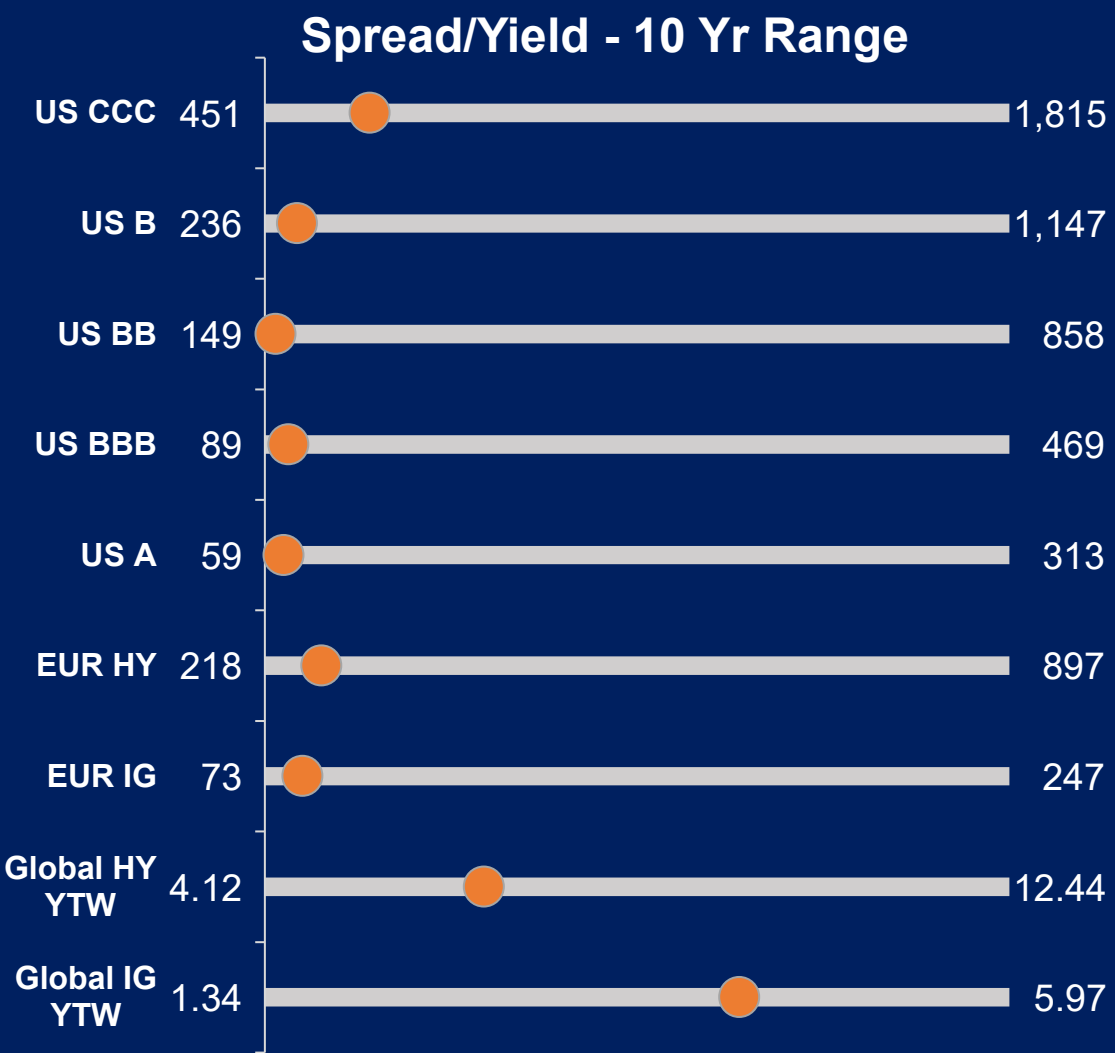
- Tight starting credit spreads led to moderate widening
- Uncertainty over AI trade led to volatility in risk assets also evident in select credits
- Falling front end US government bond yields drove positive returns

Index Performance (USD Hedged)	1 Month	3 Month	YTD	12 Month
Bloomberg US HY	0.58	1.56	8.01	7.55
Bloomberg EUR HY	0.30	1.28	6.80	7.64
Bloomberg USD IG Corp	0.65	2.56	7.99	5.90
Bloomberg EUR IG Corp	-0.24	0.84	3.23	2.84
Bloomberg GBP IG Corp	0.12	3.24	6.67	6.07
Banks AT1	0.31	2.43	10.51	11.47
Leveraged Loans	0.41	1.52	6.22	6.69
Corporate Hybrids	-0.10	1.83	7.34	8.17
EM Hard Currency	0.24	3.09	10.64	9.32
US A	0.68	2.63	8.08	5.95
US BBB	0.62	2.46	8.02	6.05
US BB	0.66	1.93	8.58	7.87
US B	0.74	1.51	7.49	7.16
US CCC	-0.19	0.49	7.55	7.65

Source: Bloomberg as at 28/11/25



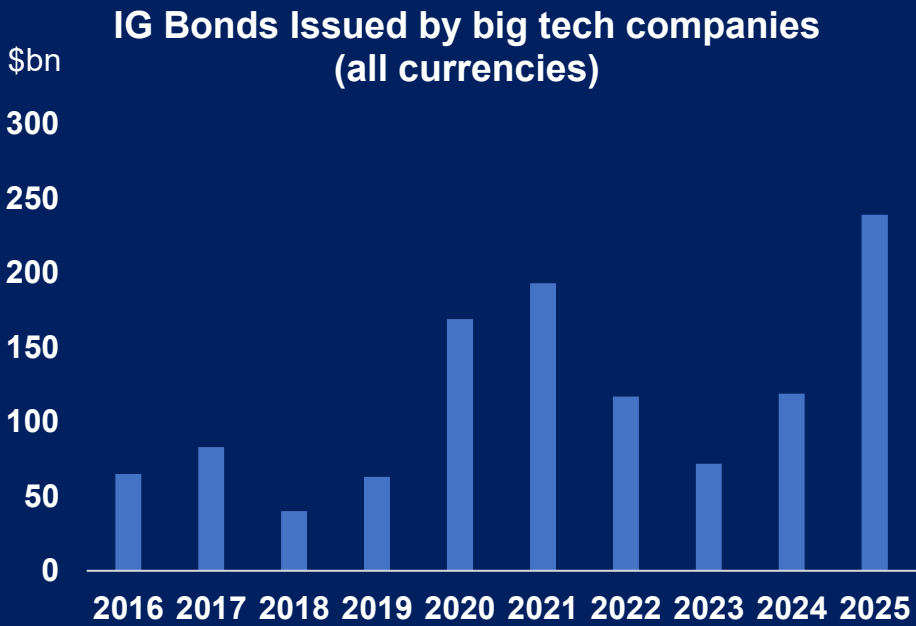
Source: Bloomberg as at 28/11/25



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AI Supply - While AI has dominated equity markets, its direct impact on credit markets has been more gradual. High quality tech firms typically issue debt infrequently due to robust cash flow generation and historically modest capex needs. However, the AI investment boom is changing that dynamic, drawing significant attention from credit investors.

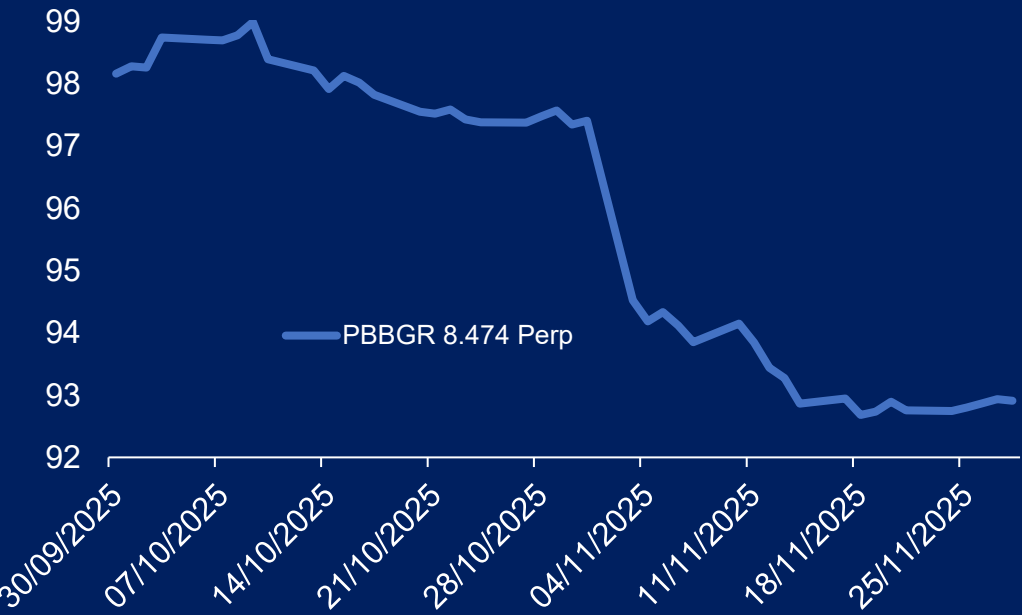


Source: Bloomberg as at 28/11/25

Hyperscalers have tapped primary markets in record size: year-to-date, Big Tech has issued more than \$200bn in debt, including \$30bn from Meta, \$18bn from Oracle, and major multi-currency deals from Alphabet (\$17.5bn in the U.S. and €6.5bn in Europe). With technology issuers expected to raise at least \$1.5 trillion by 2028, concerns are rising that this surge in supply may eventually weigh on broader market technicals.

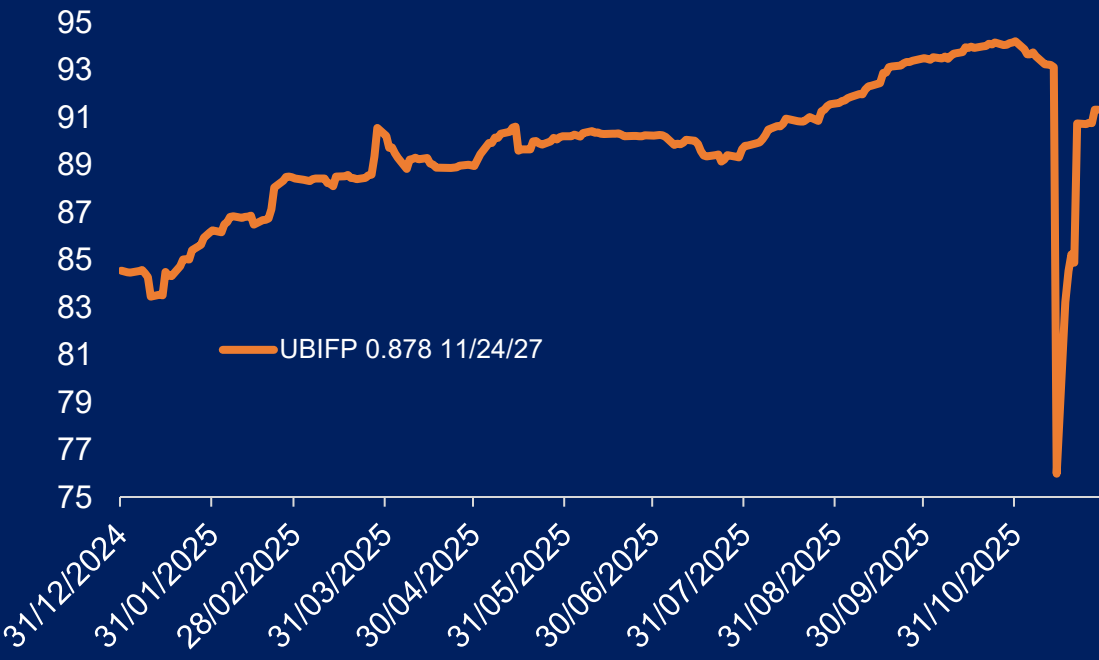
Sharp Single Name Moves - Idiosyncratic risk also remained a key theme in November, with sudden stress emerging in specific names. Deutsche Pfandbriefbank saw its shares experience their sharpest drop in a decade, and its AT1s sold off sharply despite management insisting no new material information had been released, refuting rumours circulating in the market. Ubisoft likewise faced pressure as the firm delayed the release of its financial results and requested that trading of its shares be halted. Its debt plunged, before later recovering most of the drawdown once its financials were eventually released

Deutsche PBB AT1 Fell on Speculation of Information Release



Source: Bloomberg as at 28/11/25

Ubisoft Debt Plunged as Earnings Delayed



Source: Bloomberg as at 28/11/25